

**ATTACHMENT B**

**ORDINANCE NO. \_\_\_\_\_ (CM)**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE ADDING CHAPTER 15 ENTITLED PARK DEVELOPMENT IMPACT FEES OF TITLE 3 (FINANCE) AND REPEALING ARTICLES 5 AND 6 TO CHAPTER 6 (TAXATION) OF THE WATSONVILLE MUNICIPAL CODE**

**WHEREAS**, the City Council of the City of Watsonville hereby adopts the findings set forth herein below, the findings and facts contained in that certain City of Watsonville Parks and Recreation Development Impact Fee Study Report, dated January 18, 2022 ("Parks and Recreation Development Impact Fee Study"), prepared by City of Watsonville ("City") staff and NBS Government Finance Group, and the findings contained in Chapter 3-15 and Watsonville Municipal Code; and,

**WHEREAS**, the continuing growth of the City, combined with the expectation of high-quality services by persons who live and work in the City, and reductions by the State of California in property tax allocations to local governments have been catalysts for the review of the City's existing and future public facilities and services made necessary by new development; and

**WHEREAS**, pursuant to Government Code Section 66000 et seq., ("Mitigation Fee Act") the City is authorized to impose fees and other exactions to provide necessary public facilities required to mitigate the negative effects of new development in the City; and

**WHEREAS**, it is fair and equitable for new development to pay its fair share and contribute to the financing, acquisition and establishment of such facilities; and

**WHEREAS**, the proposed fees are based upon the information contained in the Parks and Recreation Development Impact Fee Study; and

**WHEREAS**, copies of the Parks and Recreation Development Impact Fee Study and the General Plan are on file in the City Clerk's office and are available for public review in accordance with state law, as more fully described below; and

**WHEREAS**, this imposition of development impact fees has been reviewed by staff in accordance with the California Environmental Quality Act ("CEQA") and the CEQA Guidelines and the City of Watsonville Local Guidelines for implementing CEQA and it has been determined that the adoption of this Ordinance is exempt from CEQA pursuant to Sections 15378(b)(4), 15061(b)(3), and 15273 of the CEQA Guidelines, Section 21065 of the Public Resources Code and the City of Watsonville Local Guidelines for implementing CEQA. The intent of the Parks and Recreation Development Impact Fee Study and proposed fees is to provide a means of mitigating some of the potential environmental impacts which have been identified in planning efforts for anticipated future growth of the City. Specific environmental studies are required to be performed for each project that requires further review under CEQA prior to approval of the specific project; and

**WHEREAS**, the City has: 1) made available to the public, at least ten days prior to its public hearing, data indicating the estimated cost required to provide the facilities and infrastructure for which these development fees are imposed and the revenue sources anticipated to provide those facilities and infrastructure; 2) mailed notice at least thirty days prior to this meeting to all interested parties who have requested notice of new or increased development fees; and 3) held a duly noticed, regularly scheduled public hearing on March 8, 2022, at which time oral and written testimony was received regarding the proposed fees; and

**WHEREAS**, the City Council has reviewed and considered the staff report, the Parks and Recreation Development Impact Fee Study, the General Plan, and all oral and written testimony.

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**THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, DOES  
ORDAIN AS FOLLOWS:**

**SECTION 1. ENACTMENT.**

Title 3 (Finance) of the Watsonville Municipal Code is hereby amended by adding a new Chapter 15 entitled Park Development Impact Fees to read in words and figures as follows:

**CHAPTER 15 PARK DEVELOPMENT IMPACT FEES**

Article 1. General Provisions

**Sec. 3-15.101 Purpose.**

The purpose of the Park Development Impact Fees is to enable the acquisition and/or development and/or improvement of neighborhood and community parks to provide both passive and active recreational opportunities to the residents of the City of Watsonville in order to improve the quality of life and for the public health, welfare and benefit. New development within the City generates a need for added facilities and an increased demand upon existing facilities, and the imposition of Park Development Impact Fees upon new residential development is necessary to provide funding for such new or improved facilities meeting established standards for such new development. As set forth herein, the City has established the following Park Development Impact Fees: (1) Parkland Impact Fee; (2) Park Improvement Impact Fee; and (3) Community Centers and Recreation Facilities Impact Fee. In establishing the fees described in the following sections, the city council finds the fees adopted to be consistent with state law (California Government Code Section 66000 et seq.) and with the City's general plan and, pursuant to Government Code Section 65913.2, has considered the effects of the fees and determines

that the fees are not material with respect to the City's housing needs as established in the housing element of the Watsonville general plan.

**Sec. 3-15.102 Findings.**

(a) Findings. The City Council finds:

(1) Additional parkland, community centers, and recreation facilities are needed to accommodate future growth and maintain an acceptable level of the existing park and recreational facilities for all areas of the City of Watsonville.

(2) New development or conversions within the City of Watsonville result in increased usage of the existing park and recreational facilities throughout the city, which thereby increases the service requirements and the capital equipment requirements of the city's parks and recreation facilities.

(3) The City must continue to fund park land and recreation improvements within the City. These park and recreation improvements include developing additional parklands, open spaces, and recreational facilities. These additional capital expenditures are necessary to maintain the public health, safety, and welfare by assuring an acceptable level of the park and recreation facilities is available in Watsonville.

(4) In the absence of the imposition of a park improvement impact fee upon new development or conversions, the additional capital expenses necessary to maintain an acceptable level of civic services for the entire city would be unfairly imposed upon the owners and residents of the existing buildings and improvements within the city of Watsonville.

(5) New development or conversions without the payment of fees imposed by this section would not be fair to the owners and occupants of existing buildings within the city of Watsonville.

(6) The facts and evidence presented in the City's impact fee study establish that there exists a reasonable relationship between the need for parkland, park improvements, community centers, and other recreation facilities and the impacts of the types of new development or conversions for which a corresponding fee is charged. A reasonable relationship or nexus also exists between the fee's use and the type of new development or conversions for which the fee is charged.

**Sec. 3-15.103 Definitions.**

(a) "Building permit" shall mean the permit required or issued by the city of Watsonville for the construction, improvement or remodeling of any structure pursuant to the city of Watsonville's building codes.

(b) "City" shall mean the governmental body managing the administrative operations of the city of Watsonville.

(c) "City of Watsonville" shall mean all property located within the geographical area within the city of Watsonville's city limit line.

(d) "City impact fee study" shall mean the document prepared by city staff and NBS Government Finance Group ("NBS") entitled "City of Watsonville Parks and Recreation Development Impact Fee Study" dated January 18, 2022.

(e) "Conversion" shall mean converting from unusable to usable floor space, or converting the existing use to another use.

(f) “Development Permit” shall mean the permit required or issued by the City of Watsonville for the grading, site improvement, construction, or improvement of property associated with new development and conversion.

(g) “Developer” shall mean any person who is the owner or authorized agent of an owner of any new development within the city of Watsonville.

(h) “Dwelling unit” shall mean a residential dwelling within the city of Watsonville, as defined in Chapter 14-18.322 of this code.

(i) “New development” shall mean the original construction of residential, or the addition of usable floor space within existing residential buildings, or the construction of new accessory buildings.

(j) “Owner” shall mean the legal owner(s) or the authorized agent(s) for any owner of property being developed.

(k) “Park Development Impact Fees” shall mean, collectively, those fees established by this Title and includes the following separate fees: (1) Parkland Impact Fee; (2) Park Improvement Impact Fee; and (3) Community Centers and Recreation Facilities Impact Fee.

(l) “Usable floor space” shall mean any interior space constructed or converted to be used for human occupancy in accordance with the Uniform Building Code.

**Sec. 3-15.104 Description of fees.**

(a) A Parkland Impact Fee is hereby established on new residential development or conversions within the city of Watsonville in accordance with the schedule of fees that

may be established by the City Council by resolution. No fee shall be assessed on any governmental use by the city, county, state or federal government.

(b) A Park Improvement Impact Fee is hereby established on new residential development or conversions within the City of Watsonville in accordance with the schedule of fees that may be established by the City Council by resolution. No fee shall be assessed on any governmental use by the city, county, state or federal government.

(c) A Community Centers and Recreational Facilities Impact Fee is hereby established on new residential development or conversions within the City of Watsonville in accordance with the schedule of fees that may be established by the City Council by resolution. No fee shall be assessed on any governmental use by the city, county, state or federal government.

(d) At least every eight (8) years, the City Council shall review these fees to determine whether the fee amounts are reasonably related to the impacts of development and whether the public improvement projects described in the city's capital improvement projects related to parks and recreation are still needed. Failure to undertake this review shall not invalidate the imposition of the fees.

**Sec. 3-15.105 Limited use of fees.**

The revenues raised by payment of these Park Development Impact Fees shall each be placed in separate special impact fund accounts for (1) Park Land Impact Fee; (2) Park Improvement Impact Fee; and (3) Community Centers and Recreational Facilities Impact Fee, and such revenues, along with any interest earnings, shall be used solely to:

(a) Pay for the acquisition of parkland, park and recreation facilities maintenance, the City's future construction of those public improvement projects at least partially allocable



to new residential development or conversions as described in the city's capital improvement projects list related to parks, community centers, and recreation facilities; or

(b) Reimburse developers who have been required or permitted by Section 3-15.108 to install such listed facilities which are oversized with supplemental size, length or capacity.

Revenue from impact fees may also be used for temporary loans from one impact fee fund/account to another impact fee fund/account.

**Sec. 3-15.106 Imposition of fees.**

(a) Park Development Impact Fees shall be imposed on:

- (1) New residential development; and
- (2) Conversions, as provided in this chapter.

(b) Park Development Impact Fees shall be paid by the owner of the property on which new development or conversion is to occur. The fees shall be collected by the city prior to the issuance of the building or development permit(s) for such development or conversion, whichever occurs first, unless payment at a later time is mandated by Government Code Section 66007. The fees shall be calculated based on the fee schedule in effect at the time the first building permit or development permit is issued.

(c) Except as otherwise provided herein, square footage of residential buildings shall be measured by exterior dimensions. Unfinished attics, crawlspaces, and basements shall not be assessed until converted and finished as usable floor space.

(d) A building or structure consisting of non-usable floor space, e.g., a garage, carport or storage shed, shall not be deemed to be part of the residential building for the purpose of determining the square footage of the residential building.

(e) Each dwelling unit within a multifamily residential building or development project shall be deemed a separate dwelling unit for which a fee shall be imposed and shall be paid.

(f) Additions to an existing building shall be deemed to occur whenever the amount of usable floor space is increased, or whenever new building space is constructed where no structures existed as part of the existing building, whether or not the total building floor area is increased by the new construction.

(g) No development impact fee shall be imposed more than once for the same floor space.

**Sec. 3-15.107 Quimby In-Lieu Fees.**

Schedule of Quimby Fees. In-lieu fees shall be imposed and/or the dedication of parkland shall be required as a condition of approval of tentative map or parcel map pursuant to Chapter 6.

**Sec. 3-15.108 Developer construction of facilities at parks**

(a) The reimbursement amount shall not include the portion of the improvement needed to provide services or mitigate the need for the facility or the burdens created by the development.

(b) A developer who installs an off-site improvement at a park as a special mitigation measure for a project identified on the capital improvement projects list to be funded at least partially by impact fees may claim credit on such a fee not to exceed the impact fee payable for the development project. The City's Public Works Director is authorized to allow such credit.

(c) If a developer is dissatisfied with the decision of the City's Public Works Director regarding a reimbursement agreement or a credit of development impact fees, the

developer shall appeal for relief to the City Council by filing a written appeal with the City Clerk within fifteen (15) days after the disputed decision pursuant to Part 11 of Chapter 14-10 of the City Code. The appeal shall state in sufficient detail the basis for the claimed credit. The decision of the City Council shall be final.

**Sec. 3-15.109 Fee adjustment.**

(a) A developer of any project, including any new building or addition to or conversion of any existing building, subject to the fees described in this chapter, may apply to the City Council for a reduction or adjustment of the fee(s), or a waiver of the fee(s), based upon the absence of any reasonable relationship between the nature of the impact of the development and either the amount of the fee charged or the type of facilities to be financed.

(b) The application for a fee reduction, adjustment, or waiver shall be made in writing and filed with the City Clerk within twenty (20) days after the City has provided to the applicant the amount of the fees due.

(c) The application shall state in detail the factual basis for the claim of waiver, reduction, or adjustment. The city council shall consider the application at a hearing held at the next available council hearing after the filing of the fee adjustment application. The City Council’s decision shall be supported by findings of fact. The decision of the city council shall be final.

(d) If a reduction, adjustment, or waiver is granted, any change in use within the project shall invalidate the waiver, adjustment or reduction of the fee.

**Sec. 3-15.110 Development agreements.**

The terms of any development approval or building permit(s) may be negotiated as part of a development agreement which may require a developer to provide or finance

any public projects deemed agreeable to both the developer and the City Council. Development constructed under the terms of an approved development agreement may be exempted from the payment of any of the impact fees required under this chapter.

### **Sec. 3-15.111 Schedule of Development Impact Fees**

The schedule of the Park Development Impact Fees imposed by this chapter shall be established and adjusted from time to time by resolution of the city council. The impact fees shall not exceed the cost of mitigating the impact of new development.

### **SECTION 2. SEVERABILITY.**

Any provision of the Watsonville Municipal Code or appendices thereto inconsistent with the provisions of the Ordinance, to the extent of such inconsistencies and no further, are repealed or modified to that extent necessary to affect the provisions of this Ordinance. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Watsonville hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

### **SECTION 3. PUBLICATION.**

This ordinance shall be published in the Watsonville Register-Pajaronian in compliance with the provisions of the Charter of the City of Watsonville.

### **SECTION 4. EFFECTIVE DATE.**

This ordinance shall be in force and take effect thirty (30) days after its final adoption.

**SECTION 5. EXECUTION.**

The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance.

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